

Testimony of Jim Gianopulos
Chairman, Fox Filmed Entertainment
Before The
U.S. Senate Committee on Commerce, Science and
Transportation
September 27, 2000

Mr. Chairman, Senator Hollings, and Members of the Committee. I am Jim Gianopulos, Chairman of Fox Filmed Entertainment. I appreciate your time and the opportunity to provide my comments on the very important topic before us today.

For over 80 years we have taken great pride in what Twentieth Century Fox stands for, and during our long history we have consistently produced quality films that have entertained, amused, and at times raised the social consciousness of audiences in this country and around the world. We have produced movies of widespread appeal such as *The Sound of Music*, *Independence Day*, and *Star Wars*. We are responsible for bringing to the world socially relevant movies such as *The Longest Day*, *Gentlemen's Agreement* and *Patton*, as well as literary classics like *Romeo and Juliet*, *The Grapes Of Wrath* and *The Diary of Anne Frank*. And in recent years, we have co-produced two of the last five movies that have won Best Picture at the Academy Awards: *Titanic* and *Braveheart*.

Over the years, we have earned the trust and respect of our audiences, who have come to associate the Fox fanfare, which precedes our films, with a rich heritage of quality entertainment. In light of this proud tradition, we come before you prepared to address the questions raised about industry marketing practices. Over the last few weeks, we have engaged in many hours of intensive discussion and analysis in order to fully respond to the concerns raised by the FTC report.

This analysis has included both an internal review of our marketing practices and conduct, as well as an external discussion of industry marketing standards with our fellow MPAA members. These efforts have led us to take steps to ensure that we market our films in ways that fully and responsibly reflect the trust placed in us by our audiences and the American public.

In developing our marketing programs, we must balance our social responsibilities with our right to free expression, and the right of individuals in this country to determine their entertainment choices. Maintaining this balance in a complex media environment is a subjective and inherently imperfect process, but we do our best to achieve it. In response to the FTC report, we are committed to working even harder toward this goal in the future.

Specifically, we have participated in creating and are fully committed to implementing the MPAA's 12-point initiative. We believe it addresses the three major areas of concern raised in the FTC report. We work in an intensely competitive business on a daily basis, but today we sit here before you united by a common goal. By coming together with our competitors on this issue, we have taken steps to better serve American parents and their children. We appreciate the role this Committee has played in enabling us to put aside our differences and achieve this consensus.

In addition, our parent companies, News Corporation and the Fox Entertainment Group, yesterday announced a plan to marshal their diverse assets to further advance our goal of avoiding improper marketing of R-rated films. This plan, which is set forth in the news release attached to this testimony, will utilize the various resources of News Corporation and the Fox Entertainment Group to help educate parents about the movie rating system as well as to restrict the placement of advertisements of "R" rated movies on the Fox Television Network.

Perhaps most importantly, we at Twentieth Century Fox will augment the MPAA initiatives to further these important objectives in three significant ways. First, we will not attach, and we will request that theatre owners not show, trailers advertising any of our "R" rated films in connection with the exhibition of "G" or "PG" rated films. Second, we will not advertise any R-rated movies on any broadcast network program in which 35 percent or more of the audience is anticipated to be under 17. Third, we will not market or advertise any of our R-rated movies to any organization, or in any publication in which 35 percent of the membership or audience is under 17.

We are firmly committed to taking these actions and we can and must provide parents with the tools necessary to make informed decisions about what is best for their family. However, we cannot be in every living room, or at every box office and video store. Ultimately, our success in these efforts will depend on the active involvement of parents in decisions about their children's entertainment choices.

Prior to undertaking my current position two months ago, I was in charge of our studio's international operations. I can assure you that all over the world audiences embrace and enjoy our films, and get a window into the values and freedom of our way of life. I urge you not to ignore the countless hours of entertainment, education and inspiration we have brought the citizens of this country and the world, and not to allow the issues before us to diminish the contributions of the many talented and hard working people that create these films.

Mr. Chairman, Senator Hollings, Members of the Committee, I am a proud citizen of this Country and, like most of you, a loving parent. I share many of the concerns expressed by you today and am personally committed to improving our practices and ensuring adherence to the initiatives outlined today.

Thank you.

